

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe

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Friendships

By Walter E. Myer

THE wise man judges his friends not by their highest or lowest points, but by their average levels of conduct. If one expects his associates to live up to their best moments every hour of every day, he will meet with disappointment every time he turns around. One who forsakes a comrade because of an occasional unworthy act will soon find that he hasn't a friend in the world. There are traces of nobility in all of us, yet each of us sinks at times to the petty and ignoble.

That is true of you; it is true of your friends. Among the people whom you know, you will find no one who meets your reasonable expectations on every occasion. You will find a number who, by and large and in the long run, suit you very well. As they go along one day after another, you will find them honorable and likeable. They are naturally the ones to whom you will turn for companionship.

But someday one of these friends will slip. He will do something that you do not approve. He will descend to something foolish or unworthy; at least so it will seem to you. This will constitute a crisis in the relationship. If you are shortsighted, you may act as if this slip, this deviation from his usual course, represented his true character. You will cut him cold.

That is what many people do. They are faulty in vision. They act as if the present moment were all eternity. If a friend disappoints them at this moment, they forget the long past; the days and years of true friendship and affection. They are unmindful of the future and of what it may mean to them and their friends. They do not like the immediate act, so they sever the ties of friendship.

The wise man and the true friend looks backward and forward. "I do not like what my friend has done," he says.



Walter E. Myer

"If he were at all times as he is today, I would not enjoy my association with him. But he has not always been like this. He had qualities that I liked yesterday and last year and the year before that.

"No man's whole character and personality are revealed in a single act or in a single day. Each personality is very complex. If I am really to know my friend, I must see him as he is day after day and year after year. As I look at him in that way, I find him acceptable. His average performance is good.

"Hence I will stand by him. I will preserve the friendship, not because I endorse his every act, not because he is one hundred per cent worthy, but because, on the whole, I find him a suitable companion."

By such reasonable judgments alone can we travel the highways of life, sustained along the road by friendships which endure.

You have a right to expect a high quality of character and conduct among your friends. But don't expect perfection. Be fair, tolerant, and broadminded. That is the only way to keep lasting friendships.



STILL CRACKING THE WHIP behind the Iron Curtain

Trouble for Stalin

People of Russia and the Small Countries under Soviet Control Show Signs of Dissatisfaction and Unrest

OFTEN it appears that the United States and its allies are at a big disadvantage in the present world struggle. The casual observer sees all sorts of political disputes occurring in the democratic nations. By contrast, our Communist opponents present an appearance of unity under Moscow's leadership and command.

This view, however, is deceptive. There is reliable evidence that the Russian-dominated "empire" of Communist countries is torn by dissension and unrest—and sometimes by armed resistance against Moscow's authority.

The difference between our system and Stalin's is this: Democratic nations permit their quarrels and disagreements to be brought out into the open and settled by discussion and compromise. Opposition to the Kremlin in Soviet-controlled countries, on the other hand, must develop under cover. But it *does* develop, and it now constitutes a major worry for Stalin and his helpers.

These facts do not mean that the Soviet empire is weak and incapable of doing further damage to us and our allies. Anyone who took such an optimistic view would be indulging in wishful thinking of the most dangerous kind. For a long time, the democratic nations will have to maintain powerful military forces if they want to remain secure. Nevertheless, we are entitled to take encouragement from some of the events that are occurring in nations which lie behind the Iron Curtain.

In Poland, for example, there was recently a big riot which clearly showed the people's resentment against Soviet domination. It began when a Russian army officer got into a quarrel and shot several Polish citizens. A crowd gathered near the building where he took refuge. People shouted insults about Russia, and they jeered at the Polish Communist police who were making little effort to seize the officer. Eventually more than 1,500 Poles were arrested for taking part in the riot. Some of these individuals were soon released, but others probably are still being held in prison as opponents of the harsh Communist regime.

Another positive indication of how eastern Europeans really feel toward Soviet rule is the huge number of terrified refugees who come streaming out of the Iron Curtain countries. Communist nations guard their borders carefully in an effort to keep these people from escaping the Kremlin's grasp. Even so, countless thousands slip through. Since 1945, it is estimated, 100,000 have come from Romania alone. The total for all of eastern Europe undoubtedly runs into millions.

In many parts of Russia itself, there is a smoldering hatred of the Kremlin regime. When German troops invaded the Soviet Union during World War

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A New Start For the RFC

Improvement Made in Operation But Critics Still Want Agency Abolished

SINCE W. Stuart Symington became director of the Reconstruction Finance Corporation, he has been making good on his promise that the federal government's giant lending agency would "become a symbol of integrity and efficiency." Just before Symington was named to his present position, the RFC had been under heavy attack. A Senate investigating committee had uncovered evidence of laxness, inefficiency, and favoritism in the agency's operations. The five men who had, as a group, directed the RFC came in for particular criticism.

Symington's appointment was made during the Senate hearings, when President Truman abolished the five-man board to put the agency under a single chief. During his brief term in office, Mr. Symington has opened the RFC's lending operations to public view and he has dismissed officials who seemed to be using their connections with the federal government in an unauthorized way. Some people still feel that the RFC should be discontinued, but most observers believe that the new director, who has a reputation for efficiency in carrying out government assignments, will run the agency well.

In order to understand the issue of RFC, let us first take a look at its history. Organized about 20 years ago to make loans to businesses that were in financial trouble, the agency has advanced more than 15 billion dollars to a wide variety of enterprises. There have been losses when loans have not been repaid, but RFC has recovered most of its money, when due, with interest. Its earnings last year were about 27 million dollars.

RFC's beginning. In December 1931, the United States was in the midst of depression. Banks were closing by the hundreds. Insurance

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W. STUART SYMINGTON, head of the Reconstruction Finance Corporation

Russia's Troubled Empire

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II, they were often welcomed as liberators; and it was only after the Nazis demonstrated their own cruelty that Russia's people united in defense of the Soviet homeland.

The morale of the Russian masses may be as bad today as it was when the Nazi invasion began. At the close of World War II, the weary and impoverished Soviet people hoped that their government would devote most of its attention to the production of civilian goods—homes, household equipment, clothing, farm implements, and so on. Instead, its energies are being spent on military preparations. The people are compelled to work hard, and they must endure terrible living conditions. In Russian cities, for instance, it is a common practice for several large families to share a single apartment.



SIGNS LIKE THIS mark the boundary between free Europe and Russian-dominated lands that lie to the east

Conditions vary from place to place in the small European countries which Russia controls. The general picture, however, is one of hardship and dissatisfaction.

Moscow's opponents in the Soviet Union and its satellite—or puppet—nations fall into two main categories:

First, there are freedom-loving people from all walks of life who never favored communism or the Kremlin's oppressive dictatorship. They dislike the way in which Communist governments have seized business enterprises, taken land away from private owners, destroyed freedom of speech, and sent millions of individuals to slave labor camps.

Second, there are people who do not oppose communism as such, but who nevertheless have turned against the Stalin regime. Members of this second group have been especially numerous in the small satellite countries—Poland, Czechoslovakia, Hungary, Romania, Bulgaria, and Albania. Many Communists in these nations resent being dominated by the Russians. Their kind of opposition to Stalin is generally called *Titoism*, since it closely resembles the pattern set by Marshal Tito, dictator of Yugoslavia.

Tito established a Communist government in his country at the close of World War II, and for a while he worked in harmony with the Kremlin. But when he saw that Moscow simply intended to exploit the small Communist neighbors for Russia's benefit, Tito took a drastic and dangerous course. He refused to obey Stalin. Today, though still a thoroughgoing Communist, Tito is a staunch foe of the Soviet government. His country

—Yugoslavia—is the only Communist nation which openly opposes Russia.

Many Americans have hoped that Mao Tse-tung, Communist leader of China, would break with Moscow as Tito did. Up to now, there are no reliable signs that he will ever do so. However, Mao's regime is powerful in its own right. Russia will need to be far less arrogant in dealing with China than she has been in dealing with her weak European neighbors.

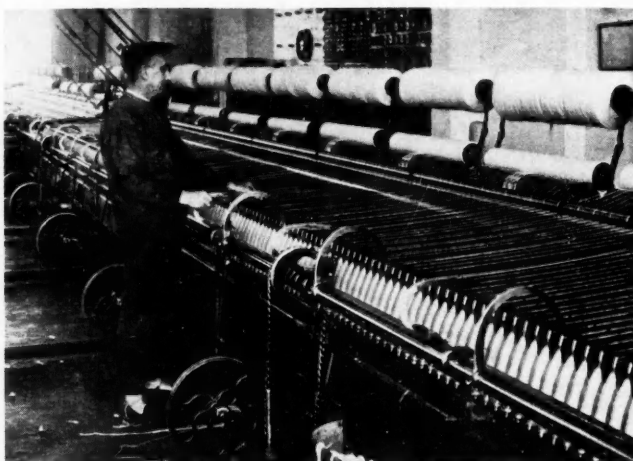
She treats the European satellites as colonies instead of free nations. High-ranking Communists in those countries have dreamed of following Tito's example and breaking away from Moscow; but Russia's hold on their nations has been too strong and they have not succeeded. Removal from office, imprisonment, torture, or execution await satellite officials whose ideas of independence are discovered.

Traicho Kostov, who used to be Vice Premier of Bulgaria, and Laszlo Rajk, once the Foreign Minister of Hungary, were both hanged, probably because their willingness to continue obeying Stalin was doubted. Vladimir Clementis, formerly Czechoslovakia's Foreign Minister, was arrested a few months ago, apparently for the same reason. Thousands of others in the satellite countries have been thrown into prison.

How does Russia maintain the control which is so deeply resented in the small, eastern European nations? In the first place, she uses the Soviet Army. It is estimated that 22 Russian divisions are stationed in the satellite countries, and that there are about 30 in the Soviet zones of Germany and Austria. In addition to these troops, thousands of Russian officials have positions as "advisers" to the satellite governments. In Poland and Bulgaria, most of the important army jobs are held by Russian officers.

In many of the small, Soviet-dominated countries, Russia has obtained a large share of the ownership in major industries—mines, chemical works, electric plants, railroads, airlines, banks, and the like. The operation of such enterprises, therefore, is mainly under Russian supervision.

Russia shamelessly robs the nations that she rules. She invents excuses for charging them enormous sums of



MANY FACTORIES in the small countries of eastern Europe are owned, in part at least, by the Russian government

money; she makes loans to them at high rates of interest; she forces them to let her have coal, petroleum, and other items for a fraction of what these products would bring on the open market. People in the satellite countries are aware of what is going on, but they are unable to stop it. As we have seen, swift punishment is dealt out to anyone—even a high-ranking official—who is even suspected of opposing or resenting Russia's actions.

But in spite of all the Kremlin can do—in spite of its massive army and its swarms of secret police—*resistance against Moscow does occur behind the Iron Curtain*. Anti-Soviet slogans and posters appear mysteriously on walls throughout eastern Europe. Anti-Communist newspapers—over 100,000 copies per week—are smuggled into the Russian zone of Germany.

Farm, mine, and factory output has been lagging in several of the satellite countries. There is little doubt that the agricultural and industrial workers have been holding back in protest against political oppression, poor working conditions, and shortages of consumers' goods. Large numbers of farmers, their land having been taken away by the government, have fled the country instead of staying to work as laborers on collective farms.

In several of the small Communist nations, and even in parts of Russia, there are large organizations of armed guerrilla fighters. These bold raiders

have fought battles against government troops in Bulgaria, and they are said to have kept some Russian railroad lines out of operation since 1945.

The enormous amount of effort which Moscow and the puppet regimes put forth, in seeking to stamp out opposition and "disloyalty," gives clear indication of how serious the situation is. Several million people, in Russia and the smaller Soviet-controlled countries, are being used by the Kremlin as spies and informers. They watch their fellow-workers, their neighbors, and even their own relatives for signs of opposition to the government, and then report their observations to the police.

Many of these informers—perhaps most of them—perform the work unwillingly. But hardly anyone has the courage to refuse when he is asked to become a snoop for the Kremlin-controlled regime. Such refusal might lead to his own arrest as a dangerous opponent of the Soviets.

Farmers, doctors, miners, factory workers, cabinet officers, housewives, students, scientists—practically all the inhabitants of Russia's empire, in fact—are watched. Life behind the Iron Curtain is full of suspicion, insecurity, and fear.

Would Moscow, knowing about the powerful undercurrent of opposition within the Soviet Union and in satellite countries, dare to start a world war? Perhaps so. Soviet leaders may believe that their hold on Russia's people is strong enough, and that their grip on the small neighbor countries is tight enough, to withstand the added stresses and strains which war would bring. Possibly they believe that a major conflict would provide the Kremlin with a needed excuse for taking new measures against the people it dominates. If Moscow holds such views, war is likely to come.

On the other hand, the men in the Kremlin may fear that we and our allies, in case of war, would help the enslaved millions behind the Iron Curtain to rise up and tear the Soviet empire apart. They may even fear that our paratroopers would release and arm the inmates of Siberia's huge prison camps. They probably suspect that large units from the satellite armies would fail to support Russia. They know that a sizable portion of the Soviet army would be needed for the job of preserving order in Russia and the puppet countries. These are considerations which may help to hold Stalin back from starting an all-out world conflict.



RUSSIA TAKES a sizable portion of the farm products that are raised in the fertile fields of the satellite nations

Telling America's Story Overseas

International Radio Network Carries U.S. Views to Far Corners of World

DUSK is falling along the Danube. In the quiet residential section of a small Hungarian city, two men are chatting over the fence which separates their yards. The tall one looks at his watch.

"It is almost time," he says in a low voice to his friend.

By the slightest nod of his head, the short man acknowledges the statement. The two continue to talk quietly for a few moments. Then they casually separate and enter their homes.

Once inside, the tall man acts quickly and efficiently. He closes the door and locks it. Then he bounds into the living room and snaps on the radio. With practiced fingers he twists the dial and adjusts the volume at a low pitch.

In a moment he hears the words he is awaiting: "It is New York, the United States of America. Here is the day's news..."

For the next half hour—from 8:00 to 8:30—the tall Hungarian listens intently. He learns that the Communist officials in Hungary have made further concessions to the Soviet Union—a fact not announced in Hungarian papers or newscasts. He finds that the situation in Korea is quite different from what he has been led to believe by the local Communist-controlled newspapers.

Midway through the program the listener hears footsteps in the street outside, and he quickly flicks the switch of the radio. It would not be healthy to be caught listening to the Voice of America—not if the Communists found out! But the footsteps pass on, and the tall man turns the radio on again.

When the program ends, he sits back and reflects on what he has heard. His friend next door, the tall man



VOICE OF AMERICA staff members, preparing for a broadcast to the Soviet Union. Their programs worry the Kremlin.

of news from the United States and other western democracies.

Operated under the direction of the U.S. State Department, the Voice of America aims to give people of other countries a true picture of American life and acquaint them with our world goals. At the same time it is trying to answer the vicious propaganda of the Soviet Union that attempts to discredit the United States and undermine American prestige everywhere.

To carry out the program, the Voice now has 38 shortwave transmitters in the United States. Of these, 10 are on the Pacific coast, 8 in the Middle West, and 20 on the East coast. Government-owned relay stations are located in the Philippine Islands, Hawaii, North Africa, Greece, and Germany. Arrangements are also made with some 50 other stations in many countries to relay the broadcasts.

Most of the programs originate in New York studios. More than 80 separate programs, ranging from 15 minutes to one hour in length, are broadcast daily. About 33 languages are employed, including such tongues as Arabic, Lithuanian, and Indonesian.

Four Regions

The Voice of America cannot, of course, reach every part of the globe. However, special effort is made to reach four main regions. They are: (1) the Soviet Union; (2) the Iron Curtain countries—Hungary, Bulgaria, Poland, and so on; (3) crucial areas bordering the Soviet sphere—for example, Turkey and Iran; (4) democratic countries like Italy and France, where there are strong Communist minorities.

To each of these regions, suitable programs are beamed. In general, about 36 per cent of the broadcast material is news. Some 54 per cent consists of features—news analysis, discussions, dramatic presentations, and so forth. Music makes up about 10 per cent of the programs.

How effective is the Voice of America? Is it making friends for the United States? Is it exposing the lies of the Communists?

These are difficult questions to answer with any certainty. Obviously we

cannot conduct a listeners' poll in lands behind the Iron Curtain. Even in lands where the governments are friendly to us, it is hard to know just how much influence our radio programs are having.

There are some indications, though, that the Voice has a regular audience of good size. According to the State Department, letters from listeners total as many as 40,000 a month. They are written on a wide variety of subjects, though most of them comment favorably on specific programs.

Few letters, if any, are received from Iron Curtain countries. Even if listeners there dared to express themselves on the broadcasts from America, the letters would very likely be intercepted soon after they were mailed. Estimates as to the number of listeners in these lands have to be derived from other sources.

One proof that the Voice has considerable influence in the Soviet Union and in the satellite countries is seen in the attempts of the Russians to curb the broadcasts. For the past two years they have tried increasingly to "jam" the airways so that the programs cannot be picked up. By transmitting buzzing and squealing sounds, the Russians attempt to drown out the Voice of America. It is believed that the Soviet Union has several hundred stations occupied in jamming broadcasts from the United States and from other democratic nations.

Comments in Communist newspapers and reports of travelers and refugees also indicate from time to time that the U.S. broadcasts are getting under the skins of the leaders in Iron Curtain countries. In some lands, including Communist China, the government has taken drastic action to keep its people from listening to the Voice. In China the government has had many radios "adjusted" so that they cannot receive Voice of America broadcasts.

The scarcity of radios in many parts of the world, U.S. leaders admit, cannot help but limit the effectiveness of our overseas broadcasts. Outside of North America there are only about 43 million short-wave receivers in the entire world. More than 80 per cent of those are in Europe.

To cope with the jamming methods of the Russians we are using stronger transmitters than formerly and are planning even more powerful ones for the future. With the transmitters now in use, Assistant Secretary of State Edward Barrett believes that more than 20 per cent of the Voice broadcasts are now being received in the Moscow area and up to 75 per cent in other parts of Russia.

Relay Station

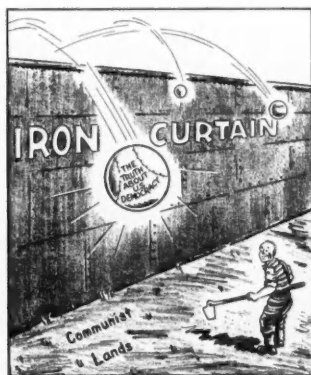
The U.S. is also planning to use an ocean-going transmitter—a powerful medium-wave radio station mounted on a fast freighter—to get its message to faraway areas. Work is nearing completion on this project, known as Operation Vagabond.

Once the ship is outfitted, it will be moored in some spot where it can be most effective in relaying Voice of America broadcasts. It is hoped to add four other sea-going transmitters to the U.S. chain of global relay stations.

One thing which may delay expansion of our overseas broadcasting activity is lack of funds. President Truman has asked Congress for 97 million dollars to cover activities of the Voice of America and other informational programs. Final action has not been taken on the request, but considerable opposition has developed to the President's proposal.

Those who oppose granting more funds to the Voice claim that the radio program is not doing the job as effectively as it should. They say that the programs are often boring and are not really "selling" the American way of life. It is charged by some that too much time is spent answering Russian propaganda and not enough time is spent in emphasizing the positive advantages of democracy.

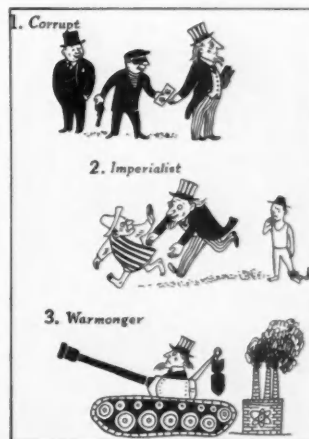
Defenders of the Voice of America admit that it is impossible to measure precisely the effectiveness of the broadcasts in winning friends for the U.S. but they believe that the program has wide appeal. As proof they cite the large volume of mail from listeners. They argue that in the critical situation which exists today throughout the world, the U.S. cannot afford to let Russian propaganda go unanswered in the global struggle for the minds and hearts of men.



ONE WAY of penetrating the Iron Curtain

knows, has also been listening. Tomorrow they will talk it over. Someday, perhaps, if they can continue to get the truth on what is happening, they and like-minded citizens may be able to take steps toward throwing off the Communist yoke.

The man described here is but one of thousands of people behind the Iron Curtain who listen regularly to the broadcasts of the Voice of America. Beamed from New York and relayed from Munich and other cities, some programs reach the Soviet-dominated lands every day in the year. For great numbers of people, the Voice of America is about the only accurate source



FOREIGN POLICY ASSOCIATION HEADLINE SERIES
SAMPLES of the Soviet propaganda which our nation is combating

The Story of the Week

New Atlantic Partners?

Should Turkey and Greece be admitted as members of the North Atlantic Treaty Organization? That question, now being studied by the 12 NATO nations, was raised by this country a short time ago.

U. S. officials have asked the other treaty members to support Greek and Turkish membership in the defense system for these reasons: (1) Both lands, though close to hostile Soviet forces, have strongly opposed the Communist menace at home and in Korea. (2) Turkey, with almost half a million men under arms, and Greece, with some 125,000 troops in readiness, are strong and necessary bulwarks against possible Soviet aggression.

Britain, France, and some other countries favor our proposal for Greek and Turkish membership in NATO. Some nations, however, including Belgium and Norway, are opposed to this move. According to the Atlantic treaty agreements, all of the 12 countries must approve new members before they can become partners in the defense organization.

The nations which oppose the extension of the pact guarantees to Greece and Turkey point out: (1) The two Mediterranean lands are far away from the Atlantic "community of nations," and would be hard to defend in case of a Russian attack. (2) We must first build up the military power of the present NATO members before new nations can be brought into the defense plan.

Panama Defenses

One of America's most vital lifelines, the Panama Canal, is being closely watched these days. Last month's short revolution in Panama and reports of Communist activities in that land have dangers that threaten the waterway.

The canal is protected by land, sea, and air forces scattered over the surrounding countries and oceans. These units, under the command of Lieutenant General William Morris, are kept in readiness at all times.

Troops, planes, and ships, some of them South American, are being especially prepared to keep enemy forces away from the Panama Canal. Special police are watching the 50-mile-long water route to prevent hostile agents from damaging or destroying it.



THIS TAPIR will enter at the Washington, D. C., zoo from now on. The young animal is a native of South America.



HEADED FOR EUROPE, these American soldiers are to become part of General Dwight Eisenhower's North Atlantic Treaty army. Our allies, too, are furnishing troops for the joint defense force.

Despite these precautions, military officials admit that a determined enemy may be able to hit the nation's important waterway. In fact, they warn, an atomic bomb dropped in certain areas could keep the canal out of action for at least four years.

Peace in Palestine?

United Nations officials are doing everything possible to prevent fighting between the Jewish state of Israel and its Arab neighbors. As reported in THE AMERICAN OBSERVER last week, the Arabs and the Jews have fought some bitter battles in Israel's three years as an independent nation.

The most recent trouble started when Israeli officials ignored Syria's demand to stop draining swamp lands which are part of a disputed border area. Arab leaders charge that this work violates the peace agreement of 1949, but Israeli officials say it doesn't. Although the fighting between the two countries was stopped last month by the UN, no real peace has yet been made.

A UN commission on the spot is now trying to settle the dispute. Israel agreed to halt its swamp-draining project for a time in the disputed area, as requested by the UN.

Meanwhile, the Arab countries demand that Israel be branded by the world's nations as an "aggressor." Moreover, Arabs have set up their own agency to stop trade between Arab and Israeli citizens.

Press Freedom

We cannot achieve a free democratic world without a free press, some leading American newsmen declared a short time ago. Yet, they continued, more and more nations are placing heavy restrictions on the gathering and printing of news.

To fight for a free press and to give citizens around the globe as much information as possible, a group of newsmen set up a special body—the International Press Institute. Founded last month, the press organization has its headquarters in Zurich, Switzerland, but it will hold general meetings in various cities around the world. Supported by the Rockefeller and the

Ford Foundations, the group is headed by newsmen Lester Markel of the *New York Times*.

The press institute has a permanent staff of workers who are now gathering information on issues to be discussed in a conference scheduled for next year. They want, for instance, to try to answer such questions as these:

1. What can newsmen do to fight against increasing press restrictions in various countries?
2. In what ways can newspapers better inform citizens everywhere of current problems?

UN Embargo

Now that members of the United Nations have voted to put an embargo on important materials going to Communist China, world leaders are wondering whether or not China should be completely cut off from world trade unless she ends her aggression in Korea.

Some officials in the United States, Turkey, and a few other nations feel that additional measures should be taken to weaken China's power to wage war. Most UN members, however, are opposed to such a move at this time.

American leaders first suggested a UN embargo of war goods against the Chinese Communists early last month. Later, both houses of Congress asked the world's nations to impose a ban on important materials being sent to China. Although Soviet satellite countries and a number of Arab and Asiatic nations opposed the embargo, the UN approved the proposal a short time ago.

Under the plan, the nations have agreed on these points:

1. No arms, ammunition, oil, or other useful war items are to be sent to the Communist countries of China and North Korea.
2. Each UN member will supervise its exports to China and keep important materials from going to the Communist land.
3. Each nation will report to the UN this month, and at regular times hereafter, to describe the embargo actions it has taken.

Meanwhile, several committees of the world organization are watching

the success of the embargo to see whether additional measures are needed to force China to end her aggression in Korea.

Leading Hitters

Who will hit the most home runs this year?

Though it is hard to pick the winner so early in the season, some sports-writers say Gil Hodges, of the Brooklyn Dodgers, may be the top hitter in 1951. As we go to press, Hodges leads all players with 14 homers. He is a strong, fast player with 32 home runs to his name for last year.

Gil Hodges has real competition for first place as a home-run hitter. One of his closest rivals is Wally Westlake of the Pittsburgh Pirates. Westlake is a long hitter who can reach the fences. He hit 24 homers and batted 95 runs last year. He already has stacked up 13 home runs to his credit this season.

Both players will have to work hard to top Ralph Kiner, who has made a slow start this year, but who led all players in 1950 with 47 homers. Kiner plays for the Pittsburgh Pirates. In 1949, he almost reached Babe Ruth's all-time record of 60 homers, when he hit 54 round-trippers.

Eisenhower for President?

General Dwight Eisenhower, Supreme Commander of the North Atlantic Treaty Organization forces, has frequently been mentioned as a candidate for President in 1952. Despite the general's past statements that he does not seek the nation's highest office, new "Eisenhower-for-President" movements continue to flare up.

Recently, one of Eisenhower's former aides, Captain Harry Butcher, gave "Ike's" supporters new hope. Writing in *Look* magazine, Butcher reports that he believes the NATO armed forces chief is now willing to run for President either as a Democrat or as a Republican. "If needed for office," Eisenhower is reported as having said, "no man could refuse to run." That responsibility is now felt by the general because of the "grave peril" facing the nation, Captain Butcher writes.

Meanwhile, NATO's supreme commander is hard at work prodding the Atlantic Pact nations into speeding up



SHE'LL GO FAR. Cornelia McGinnis has been chosen from a large number of applicants to be secretary of a group that is preparing to tour Europe and Africa from the Arctic to the Equator.

their defense efforts. Thus far he has not declared himself to be a Presidential candidate. His chief interest at this time, his assistants say, is to boost the fighting power of the European nations. Eisenhower hopes to have an effective, combat-ready army of over 400,000 men under his command by the end of this year, they declare.

Foreign Aid

President Truman has asked Congress to approve some \$7½ billion dollars in aid to other countries for the 12 months beginning next July 1. That amount of money is needed, the Chief Executive believes, to help our allies

rearm and to improve their living conditions.

Most of the aid funds requested by the President are actually earmarked for building up Europe's defenses—a total of almost 7 billion dollars has been suggested for this purpose. The remaining 1½ billion dollars would be granted to friendly governments in the Far East and South America. Of this amount, 930 million dollars is asked for military and economic aid to Asiatic nations, including the Chinese Nationalist island of Formosa.

Crisis in Iran

Conditions in oil-rich Iran are going from bad to worse. The conflict over Iran's decision to run its own oil industries, reported in the May 14 issue of THE AMERICAN OBSERVER, has become critical.

The Communists and a band of extreme Iranian Nationalists, though opposed to one another, threaten to wage war if any attempt is made to prevent the country from taking over the oil fields.

What can we do to avert complete disaster in the Middle East? A number of Americans—newspapermen, legislators, and just ordinary citizens—are proposing ways in which this country might steer Iran out of its crisis. Among the suggestions being made are those of newspaper columnist Marquis Childs. Childs believes that we should immediately take these steps in Iran:

1. Our government should send an American mission to Iran at once, headed by Justice William Douglas, who is well-liked there, and who understands the problems of the Middle East. His visit to Iran would show the people that we want to be friendly with them, and it would help sweep away some of the existing anti-American feeling in the country.

2. We should set up a Middle East defense system which includes Iran. Many Iranians are angry because the United States has done little to strengthen their nation, while it has built up the defenses of near-by Greece and Turkey. A defense alliance would help overcome that difficulty.

3. U. S. oil companies operating near Iran could impress that country with America's good will by sharing oil profits equally with the land in which the wells are located. Moreover, we should help Iran get the Bahrein Islands, which are strongly demanded by Iranian citizens. These islands are



CORN raised in the New Mexico area more than 3,000 years ago is examined by a Chicago scientist. Shown in the foreground, for comparison, are some ears from a recent crop.

in the Persian Gulf and were set up as an independent territory some time ago.

Food for India

The hungry citizens of India are now looking forward to getting some two million tons of grain from this country. Ships are being made ready to take the wheat to the famine-stricken land as quickly as possible.

The go-ahead signal for the food shipment was recently given by Congress, when it voted to sell the wheat to India. India can pay for the wheat over a period of years by sending us raw materials and other goods.

The lawmakers have discussed the sending of grain to India ever since last February, when President Truman asked for food shipments to the Asiatic nation. For many weeks, the aid bill was blocked by congressmen who felt India should support our fight against communism and give us raw materials in return for food.

Our long delay in helping India has cost us many of our former Asiatic friends, some observers believe, because we debated whether or not to send food while starvation threatened. On the other hand, some citizens argue that Prime Minister Nehru and other Indian officials are at least partly responsible for our delay because of their attitude toward our foreign policies.

News in Brief

A number of nationally advertised products may cost less in some stores as a result of a recent Supreme Court decision. The nation's highest court has ruled that state "fair trade" laws were illegal in permitting manufacturers to set minimum prices to be charged for their goods.

In the past, when a manufacturer agreed on a minimum price for his goods with one or more retailers, he could, under the fair trade laws, force other merchants in the state to sell the items at the agreed price or higher—none could sell the goods below the manufacturer's price. This practice can no longer be upheld, according to the Supreme Court.

★ ★ ★

Congress is still trying to decide on what tax increases to make this year. New taxes are needed to pay for the government's estimated costs for next year—some 71½ billion dollars. Ever since last February, when President Truman asked for a 16½-billion-dollar tax boost, the lawmakers have been studying ways to raise the needed revenues. Recently, a House committee proposed higher individual and corporation income taxes and new levies on certain goods. If adopted, the proposal would bring the government an additional income of 6½ billion dollars a year.

★ ★ ★

School and government leaders point out that job opportunities for college graduates are especially good this year. The greatest demand, they say, is for engineers and accountants.

★ ★ ★

Some modern planes and rockets travel at amazing speeds. The speeds of these aircraft are classified as follows: (1) *Subsonic*, speeds slower than that of sound (760 miles per hour at sea level). (2) *Supersonic*, all speeds faster than the speed of sound. (3) *Hypersonic*, speeds faster than five times that of sound.

★ ★ ★

During the current fiscal year, which ends June 30, our government spent over 8 billion dollars on foreign aid. More than 5¼ billion dollars were needed to help arm our allies. Another 2¼ billion dollars were used to help Europe build up its industries. Other funds were spent as follows: Korean aid, 90 million dollars; aid to Palestine refugees, 27 million dollars; and help to backward lands, almost 27 million dollars.

★ ★ ★

The nation's first jet fighter "ace" was honored recently after he shot down six Communist jets in the Korean fighting. He is Captain James Jabara, of Wichita, Kansas. A flyer who downs five or more enemy planes is rated as an ace.

★ ★ ★

Will the price of beef come down in the months ahead? "Very slowly," say officials of the Office of Price Stabilization. The OPS, which put "ceilings" on the price of beef a short time ago, hopes to reduce the present high cost of the meat.

Meanwhile, some butchers and cattlemen are refusing to send their beef to market in protest against the price order. If this practice becomes widespread, officials fear a severe meat shortage may develop.



WHO IS RESPONSIBLE for inflation? As this cartoonist points out, each of our big economic groups blames the others.

rearm and to improve their living conditions.

Most of the aid funds requested by the President are actually earmarked for building up Europe's defenses—a total of almost 7 billion dollars has been suggested for this purpose. The remaining 1½ billion dollars would be granted to friendly governments in the Far East and South America. Of this amount, 930 million dollars is asked for military and economic aid to Asiatic nations, including the Chinese Nationalist island of Formosa.

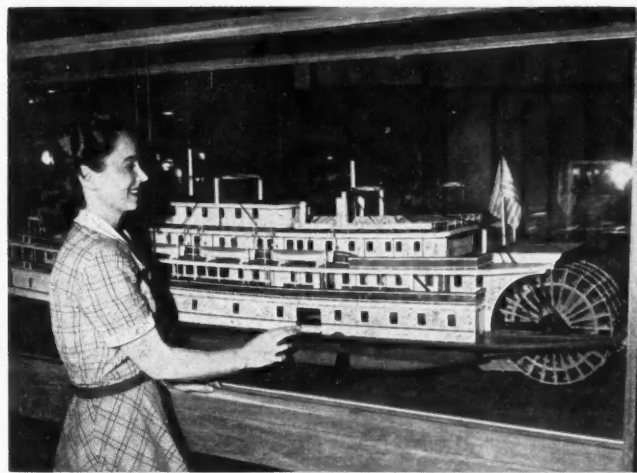
In requesting the coming year's foreign-aid money, the administration has lumped together the funds needed by all of the government agencies which supervise our help to other countries. In past years, separate appropriations were made for each such agency. Moreover, one central group—the International Security Affairs Committee—has been set up to supervise the spending of the aid-money abroad.

Justice Douglas Speaks

The United States has been so busy fighting against communism that it has not had time to help correct the conditions which breed Soviet ideas. That statement was made a short time ago by Associate Justice William Douglas of the U. S. Supreme Court.

Douglas, writing in the June *Rotarian*, says that "there are rumblings in every village from the Mediterranean to the Pacific. A force is gathering for a mighty effort. We think of that force as Communist. The Communists exploit the situation, stirring every discontent and making the pot boil."

The Supreme Court Justice went on by pointing out that the revolutions which are now brewing are not Com-



ONE OF MANY exhibits at the new San Francisco Maritime Museum. Shown here is a model of a river craft that was used in California many years ago.

Lending Agency

(Concluded from page 1)

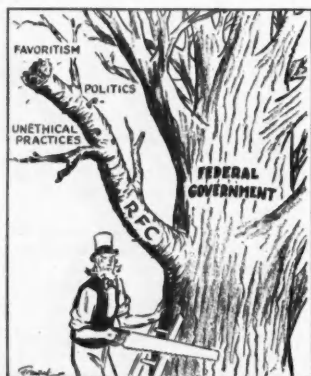
companies, railroads, industries, and individuals were in deep trouble. Thousands of people were losing farms and homes because they could not pay mortgages that were due. Millions were unemployed. There was need for action.

Republican President Herbert Hoover therefore asked Congress to set up RFC. The job, as he saw it, was to rebuild confidence in the country. This could be done, he believed, by government loans to get banks, farm credit associations, and other financial institutions on their feet; by loans to help the railroads, as a necessary transport service; and by still other loans to needy states for work programs to provide jobs.

Mr. Hoover emphasized that RFC was an "emergency" organization, intended to operate only during the depression. He hoped the agency could be abolished in two years. He opposed direct government loans to industry which he felt would interfere with private banking and bring about too much government control over our free enterprise economy.

Congress set up the RFC in January 1932, and the agency began to make loans the following month. The RFC, it is generally felt, did a great deal to keep the nation from complete collapse. The country was still suffering from the depression, however, when Franklin D. Roosevelt became President in 1933, and the agency was continued. In 1934 it began to make loans directly to business firms as well as to financial institutions.

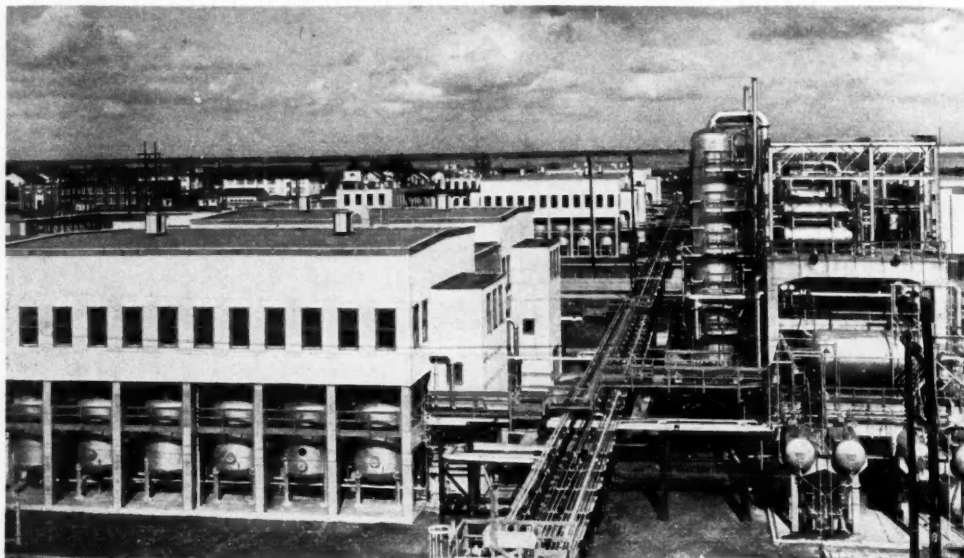
The pre-war years. The RFC made loans of just over 10 billion dollars during the first seven years of its existence—until February 1939, when the nation began to think about military defense.



RIPE FOR PRUNING? Critics of the RFC say that this agency should be trimmed out of the government.

Nearly 15,000 banks got RFC aid during the early years—in 1932 and 1933 especially. About a billion dollars were loaned to try to keep banks open. Nearly a billion went to closed banks, to help them re-open or to pay off depositors. More than a billion were invested in bank stocks, to increase the funds of banks so that they could more easily make loans to private industry.

Eighty-two railways got nearly a billion dollars in RFC loans. RFC authorized more than three billion dollars on cotton, corn, wheat, tobacco, and other farm products as part of the Roosevelt farm relief program. Loans for state and city work projects



MONEY FROM THE RFC financed the construction of synthetic rubber plants like this one. RFC supporters point out that the big lending agency has many such accomplishments to its credit.

totalled nearly 741 million dollars—to help, for example, build low-cost apartments in New York City, and the San Francisco-Oakland Bay bridge. Mortgage loans totalled about 418 million, loans for development of electric power in farm areas about 47 million, and loans to industry about 500 million dollars.

Board chairman Jesse Jones, a Texas businessman who ran RFC for most of its pre-war period, declared that people with small means got the real benefits of the lending program. Bank aid, he said, benefited 40 million depositors, agricultural loans helped individual farmers, and loans to railroads provided jobs.

The war years. RFC grew rapidly in carrying its share of the defense burden during World War II.

The wartime RFC authorized more than 11,000 loans for more than two billion dollars to finance defense industries. This program included 190 million dollars for expansion of aviation gasoline plants. RFC bought more than seven billion dollars' worth of materials in the U. S. and 51 foreign countries. Lead, zinc, chrome, tin, tungsten, and gasoline were among the products purchased. RFC built or equipped over 2,000 factories for war production, with an investment of more than eight billion dollars for land, buildings, and machinery.

The RFC developed synthetic rubber plants, because the war cut off almost all sources of natural rubber. Similarly, RFC set up a smelter to refine Bolivian tin ore. As a result of these programs, the country was able to meet military demands for both rubber and tin. RFC also built pipelines from Louisiana and Texas to carry oil to the eastern seaboard, thus avoiding the grave risks of submarines which menaced tankers at sea.

In general, there is agreement that RFC did a good job in wartime. With its affiliated agencies, it had the set-up for tackling production problems which had to be solved.

Post-war RFC. After World War II, RFC began concentrating on aid to small business firms. Last year, for example, the government agency authorized 5,506 loans for a total of nearly 600 million dollars. More than half of the loans approved were for less than \$25,000 each to operators of grocery stores, tourist camps, laundries, and other businesses.

More than a year ago, some congressmen began to question the merits of this postwar program. A number of critics held that the government had no right to be in the loan business. The biggest barrage of criticism was directed at the Truman administration, with charges of "favoritism" in making loans.

The Senate investigating committee directed a good part of its inquiry into relations between the White House and RFC. It centered part of its problem around Donald Dawson, one of President Truman's executive assistants. Dawson formerly was an RFC official.

Dawson told the senators that, as a White House executive, he had referred loan seekers to RFC officials. He said that he knew many borrowers and several RFC directors. He insisted, however, that he never had tried to influence a decision on any loan. He had, he acknowledged, been a non-paying guest at a Florida hotel which had borrowed more than a million dollars from RFC. Dawson insisted that he saw nothing wrong in being the hotel's guest, and that he did not even know the hotel was an RFC borrower.

Before Dawson testified, the committee had named him as one of a group who "appear" to have used influence to get RFC directors to grant loans to friends. After hearing him, Fulbright declared that Dawson might see "nothing wrong with what he did" but "I do." Senator Fulbright suggested that Dawson's position "next to the President" called for a certain dignity of action.

The Senate Committee made no charges of illegal actions in the course of RFC operations. But its probe did raise the question of whether ethics and moral attitudes were ignored. The investigation also added fuel to the dispute over the necessity for continuing the Reconstruction Finance Corporation in operation.

For RFC. Defenders in the argument over RFC say that: (1) The agency lends money as directed by the laws of Congress to help keep the country's economy stable. (2) Government lending is especially necessary now to help industry build new plants for making armaments which our defense forces need. (3) RFC makes loans only when industry cannot get help from private banks.

Small businessmen's associations support the administration view that RFC should be continued. Their argument is that the government loans are needed even in good times. Small firms, it is contended, find it difficult to get money because private investment capital is not available. Further, the small operators charge that banks favor big business when they make loans.

Against RFC. Persons who want to abolish RFC insist that plenty of capital is available from banks to meet the needs of industry and that the government is competing with the private banks.

Former President Hoover is one of those who wants to do away with the lending agency. Mr. Hoover says it supports risky business enterprises by lending money to projects that private banks won't finance. There is no serving of public interest, he argues, in lending government money to "pool rooms" and other small enterprises. Jesse Jones, who ran RFC for a number of years, insists that any sound business can now get money it may need by borrowing from private banks.

RFC's future. Since the Korean war began, RFC has turned to defense work just as it did in World War II. The agency is making loans primarily to industries important to our rearmament effort, and it is again acting as purchasing agent for raw materials which the military forces need. It is continuing programs for the production of synthetic rubber and tin.

Because of its defense programs, RFC is likely to be kept in existence through the present emergency. The basic arguments, however, over whether it should eventually be abolished still remain.

Large, inflated rubber domes will soon be used by the U. S. Air Force to house delicate radar equipment in the Arctic. The rubber igloos will protect radar equipment from snowdrifts, high winds, and ice.

Each of the domes is 37 feet high and 54 feet in diameter. The walls are thin—made of rubber and fiber glass. Each igloo requires 1,200 pounds of rubber for its construction. To facilitate delivery to the Arctic, the rubber domes can be deflated and crated in a relatively small space.

Newsmaker

MARSHAL TITO, the Communist ruler of Yugoslavia, is one of the world's staunchest opponents of Soviet Russia. Noted for his courage, stubbornness, and tenacity, Tito has shown these qualities by gaining control over his own country and by defying Russia. Along with these characteristics, he is also completely ruthless and undemocratic in dealing with any of his countrymen who oppose him.

Tito, whose real name is Josip Broz, was born about 61 years ago in Croatia—a region in the northwestern corner of Yugoslavia. He grew up to be first a metal worker, then a soldier, a Communist underground worker, a guerrilla leader, and finally a Communist dictator.

Tito was first introduced to communism during World War I, when he was taken prisoner in Czarist Russia. It was the Russian Revolution of 1917 that freed him and, upon being liberated, he joined the new Russian Communist army in the civil war. Returning to his own land, he began devoting much of his time to Communist underground activities, and was again imprisoned. Upon his release from jail, he became widely known in his country as a revolutionary leader.

The Yugoslav ruler first came to the attention of the world after the Nazis overran the Balkan state. He organized a resistance movement, and his partisan followers were so successful in fighting the Germans that the Allies began supplying them with guns and ammunition.

World War II offered Tito the opportunity he needed to gain control of Yugoslavia, for he was able to set up his own government in areas wrested from the Nazis. When the war ended, the monarchy, which formerly ruled Yugoslavia, was overthrown and a Communist government was set up with Tito at its head.

When Tito first broke with Moscow, many observers in western nations began to think of him as something other than a dictator and almost as a hero defending his people against the dictates of Russia. As time went on, however, they came to realize that he is, after all, still a Communist dictator—that the yoke of communism still hangs heavily on the necks of Yugoslavia's citizens.

The Yugoslav dictator, who lives a quiet but busy life, often works 16 hours a day at his desk. He frequently wears a business suit instead of his former favorite braided uniform sent to him from Moscow.



MARSHAL TITO
Dictator of Yugoslavia



YOSEMITE is one of the most beautiful of our national parks. Rugged mountains, famous waterfalls, and giant trees are among its attractions.

SERVING THE NATION

National Park Service

(This is the second in a series of special features about government agencies which serve the nation in unusual ways.)

IF you are among the 35 million Americans who are expected to visit the national parks this year, you will have an opportunity to see the National Park Service in action.

At the park entrance, a Park Service guard will give you pointers on how you can best enjoy your trip. You will probably eat lunch at a picnic site maintained by the Park Service. You may hike along wooded trails dotted with Park Service markers. And, if you should leave your campfire smoldering, you can expect a scolding from a Park Service ranger.

The National Park Service was created in 1916 as a bureau in the U.S. Department of the Interior. The duties of the service involve taking care of the nation's federally-owned parks, monuments, historic sites, and other areas set aside for public enjoyment. (The Park Service does not, however, manage the National Forests, which are the responsibility of the Forest Service of the U.S. Department of Agriculture.)

The first national park was Yellowstone, established by Congress in 1872 for the purpose of preserving the natural beauty of that wild and mountainous area. Today the National Park System contains some 175 individual parks and sites of natural and historic interest. Altogether they cover 22 million acres—an area more than four times as large as the state of New Jersey.

In general, the National Park System is composed of two major types of areas: those which are especially noted for their natural scenic attractions; and those that commemorate some famous person or event in our country's history.

Among the scenic areas are the great national parks featuring such magnificent spectacles as the Grand Canyon, Mount Rainier, Mammoth Cave, and Crater Lake. Park rangers, many of whom are trained naturalists, conduct guided trips through these parks, pointing out the wildlife and scenery. These rangers also deliver evening campfire lectures. Over 25,000 such talks were given last year.

Historic parks and sites include the

Civil War battlefield at Gettysburg, the Statue of Liberty, and the Washington Monument. A recent addition to the National Park System is Independence Hall, scene of the adoption of the Declaration of Independence and meeting place of the Constitutional Convention of 1787. Although this historic shrine remains the property of the city of Philadelphia, it has been maintained by the National Park Service since the beginning of 1951.

There are opportunities for many types of recreation and education in the national park areas. Hiking, horseback riding, camping, skiing, boating—these are just a few of the outdoor activities that await the park visitor. Persons seeking educational advantages will find them at Park Service museums, lectures, and guided tours. Popular and technical publications on historical and scientific topics are also available through the Park Service.

The national parks have recently been at the center of a controversy over whether dams should be built on certain rivers flowing through the parks. Some people believe the dams are needed to control floods and to provide electric power and water for irrigation. They feel these benefits might be gained with very little harm to the natural beauty of the parks.

In reply, others argue that constructing dams in the parks would be contrary to the purpose for which the parks were established. These people point out that less than one per cent of the total land and water area of the 48 states is taken up by national parks. They contend that at least this much of the country should be preserved, unspoiled, for those persons who want to see their nation in its natural splendor.

If you are thinking of taking a trip to the national parks this summer, you may obtain information on the individual parks by writing the superintendent of each of those parks in which you are interested. For example, a letter requesting information on roads and major attractions in Yosemite Park should be addressed to: "Superintendent, Yosemite National Park, California."

For general information about all the parks, write the National Park Service, Washington 25, D. C.

Study Guide

Finance Agency

1. What promise has the RFC's director, Stuart Symington, made in regard to the agency's operations?
2. Discuss briefly the criticisms aimed at the agency during recent months.
3. When was the RFC organized? What purpose was it to serve?
4. Briefly describe the agency's operations during the years before World War II.
5. What functions did it carry out during the war?
6. What type of work has it done since the end of the war?
7. Give the arguments made for and against continuing the RFC in operation.

Discussion

Do you or do you not think the RFC should be continued? Give reasons for your answer.

Soviet Empire

1. What is indicated, about the attitudes of people behind the Iron Curtain, by the number of refugees coming from Soviet-controlled lands?
2. Tell of an event which showed that the Russian people were deeply dissatisfied with their government during World War II.
3. Describe the two main classes of opponents that the Kremlin has to contend with behind the Iron Curtain.
4. Why did Marshal Tito, dictator of Yugoslavia, break away from Moscow?
5. Describe some of the ways in which Russia controls and exploits the small nations of eastern Europe.
6. List some methods by which large numbers of people in Iron Curtain countries are now demonstrating their hatred toward Moscow.
7. By what means does the Soviet regime seek to destroy opposition?
8. Discuss the effect which unrest behind the Iron Curtain may have upon Russia's plans for world conquest.

Discussion

1. Do you or do you not believe that dissension in the countries which Moscow controls is likely to act as a major factor in preventing Russia from starting a world war? Explain your position.
2. Do you think the United States is doing enough, through such means as the Voice of America, to encourage resistance behind the Iron Curtain? Give reasons for your answer.

Miscellaneous

1. What are some of the duties of the National Park Service?
2. What is the purpose of the International Press Institute?
3. State the provisions of the UN embargo on important materials against Communist China.
4. Why does the United States want Greece and Turkey to become members of NATO?
5. How much money does President Truman think the country should spend for foreign aid next year?
6. What warning does Associate Justice William Douglas give in the June *Rotarian*?

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Pronunciations

- Josip Broz—yaw'sip brawz
László Rajk—láz'lo rik
Traicho Kostov—try'kō kaws'tawf
Vladimir Clementis—vlah'dī-mīr klēm'en'tis

Background for Today's News

Yugoslavia—Thorn in Russia's Side

AMONG the nations lined up against the Soviet Union, only one is itself a Communist country. This is Yugoslavia, a land on the Adriatic Sea at the edge of the Soviet world.

It was just a little more than three years ago that Yugoslavia broke with Russia and set out on its own. Since that time, it has been straddling the fence, unwilling or unable to jump to either side.

Because Yugoslavia clings to its Communist ideals and form of government, it is unwilling to side definitely with the nations of the West. And, since it has defied the Soviet Union, Yugoslavia cannot rejoin that camp. Only the overthrow of the Yugoslav dictator, Tito, and the abandonment of his ideas could make this possible.

The big question confronting Western leaders is whether Russia will try to cause Tito's downfall and force Yugoslavia back into the fold. As matters stand now, Tito is a thorn in the side of the Soviet Union. Yugoslavia is an example which other Communist nations, wanting to break away from Russian influence, could follow.

The Soviet Union might decide to send its satellite armies against Yugoslavia, turning that country into another Korea. It is known that the armies of those countries have been building up their strength, and there have been clashes along the Yugoslav border.

In event of a Communist strike at Yugoslavia, would the United Nations intervene as it did in the case of Korea? If so, would that mark the beginning of World War III? Such questions as these concern military and political leaders of the West.

Yugoslavia is undeniably a powder keg. For that reason alone, it is worthwhile to examine the country and learn what we can of its strengths and weaknesses.

THE LAND. Yugoslavia, with an area of over 99,000 square miles, is a little larger than Oregon. About half the country, from the coast inland, is mountainous and heavily forested. Northern Yugoslavia is a region of flat plains. This is the section with the best land and most of the people.

Yugoslavia's coastline on the Adriatic is over 1,000 miles long and has many inlets suitable for harbors. But the coast has never played a very important part in the life of the country. The mountains, rising sharply from the water's edge, form a barrier between the interior and the coast.

Yugoslavia has two distinct types of climate. Winters are mild and summers sunny and fair along the Adriatic. On the northern plains the weather is more severe, with cold winters and hot summers.

RESOURCES. Yugoslavia has fairly abundant resources, but few of them have been developed. There are rich soil, plentiful forests, rivers enough for water power, and considerable deposits of minerals, including coal, iron, lead, zinc, bauxite, manganese, copper, antimony, and chromium.

PEOPLE. More than 16 million people live in Yugoslavia, the majority on the northern plains where the best farm land is. The population is divided into five separate groups, based on the section of the country where they live and the language they speak. Al-

though almost all belong to the Slavic group of European peoples, there has been considerable animosity among them in the past. During World War II, they fought each other at the same time they were fighting the Germans. Since then, however, there has been less conflict.

EDUCATION. According to law, all Yugoslav children must attend school for eight years. There are many schools in the country, including three universities, and a number of new schools are being built today. Nevertheless, two out of every five Yugoslavs are illiterate.

INDUSTRY. Yugoslavia is not an industrial country, but it is bending every effort to become one as fast as

possible. New factories are going up

at a fairly rapid rate, with much of the work being done by young people and office workers in their spare time. Among the goods already in production are light iron and steel products, processed foods, textiles, matches, chemicals, cement, leather, paper, sugar, and carpets.

Lack of transportation is the chief reason Yugoslavia did not become industrialized sooner. New roads are being built, but nowhere near enough are available so far. There are less than 7,000 miles of railroads and 21,000 miles of main highways in Yugoslavia, and only a few airports. Transportation across the mountains to the coast is particularly lacking. However, there are 1,282 miles of navigable rivers plus three canals connecting them, and these handle much of the freight within the country.

AGRICULTURE. Ordinarily Yugoslavia raises enough food for itself plus some for export. It is able to do this despite the fact that only about a quarter of the country is really good crop land. The best farming section is in the northern plains, but crops are grown also in the moun-

tain valleys and along the seacoast.

Four out of every five Yugoslavs earn a living by farming. Methods are fairly primitive, most of the work being done with simple tools. Less than half the farms have even hand plows. Farm incomes are generally low, and the average peasant family faces a life of hard work with little return.

Chief crops are wheat, oats, barley, corn, sugar beets, hemp, flax, rye, hops, potatoes, and fruit. Along the warm coast, grapes and olives are important crops. Farm animals are raised in large numbers throughout the country.

WORLD TRADE. In the past, most of Yugoslavia's exports were carried along the Danube River to countries

ment from the Russians. Yugoslavia, until recently, refused military aid from the West, and said she would ask for it only in case of attack.

Yugoslavia is vulnerable to attack from the north across the flat plains. In case of war, she might have to withdraw her forces to the mountains and employ guerrilla tactics. In World War II, Yugoslavia guerrillas, attacking from mountain hideouts, succeeded in keeping 23 Nazi divisions tied up.

GOVERNMENT. To call Yugoslavia anything but a Communist dictatorship would be incorrect. The country is ruled by one man, Tito. There are secret police, and police-state methods are used to keep the people in line.

Furthermore, there is a campaign to



DRAWN FOR THE AMERICAN OBSERVER BY JOHNSON

of eastern Europe. But since her break with the Communist world, Yugoslavia has turned to the West for trade.

The things she has to sell are mostly raw materials—minerals, particularly lead, antimony, copper, and chromium; wood, livestock, hides, and food. She buys manufactured goods in return, especially machinery and materials needed in her new factories.

FOREIGN POLICY. As was pointed out in the beginning of this article, Yugoslavia belongs neither to the Communist camp nor to the free world. An attack on her borders, or the outbreak of a third world war, however, could cause her to abandon this fence-sitting position and join the West.

DEFENSES. At present, Yugoslavia has between 600,000 and 700,000 men in her army. Her navy and air force, however, are small, having less than 37,000 men altogether.

Tito's Communist neighbors together could match his forces man for man and, in addition, they are better equipped. Yugoslavia has almost no tanks or heavy artillery, only a small number of vehicles, and few planes. The Soviet satellites, on the other hand, have been receiving heavy equip-

ment from the Russians. Yugoslavia, until recently, refused military aid from the West, and said she would ask for it only in case of attack.

Recent efforts have been made to restore certain rights to citizens. This is undoubtedly a bid for the support of the masses, many of whom are not behind the government's plans for destroying private ownership of lands and industries.

HIGHLIGHTS OF HISTORY. The nation we know as Yugoslavia did not exist prior to World War I. It was formed at the end of that conflict from parts of the Austro-Hungarian Empire plus two small kingdoms.

Tito rose to power during World War II as a leader of guerrilla forces fighting the Germans. At the end of the war he set up a Communist government in Yugoslavia and until 1948 was one of the strongest supporters of the Soviet Union.

When it became apparent that Russia intended to direct the policies of her satellites and exploit them to her own ends, Tito balked. Since then Russia has been using every means short of war to overthrow him.